



Australian Bureau of Statistics

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Financial security will determine when people retire

In 2006-07, there were 3.2 million people (aged 45 years and over) in the labour force who intend to retire at some time in the future according to figures released today by the Australian Bureau of Statistics (ABS).

'Financial security' was the most common factor for influencing people's decision about when they intended to retire (44% of men and 41% of women). 'Personal health and physical abilities' (40% of men, 40% women) was the next most common deciding factor followed by 'reaching the eligibility age for an old age (or service) pension' (12% of men, 11% women).

Almost half (49%) of the people currently in the labour force who intend to retire expect their superannuation to be their main source of income at retirement, one in five (22%) expect the 'Government pension or allowance' and 12% did not know what their main source would be.

The prevalence of 'superannuation or annuity' as the expected main source of income at retirement is consistent with the increase in the number of people participating in superannuation schemes. Over 93% of people intending to retire indicated that they had contributed to a superannuation scheme at some time, compared to half (52%) of those already retired. Of the retirees who had contributed, 51% of men had contributed for 20 years or more compared to 22% of women.

There were 3.1 million retirees in Australia (aged 45 years and over) in 2006-07, with half of all retired people aged 70 years and over.

Of the 2 million retirees who had worked in the last 20 years, the most commonly reported main reason for ceasing their last job was 'reached retirement age/eligible for superannuation/pension' (42% of men and 28% of women). The next reason reported was 'own sickness, injury or disability' (29% of men and 19% of women) followed by 'retrenched/dismissed/no work available' (10% of men and 9% of women).

Two-thirds (66%) of retirees report that the 'Government pension or allowance' was their current main source of income, followed by superannuation (14%) and 'dividends or interest' (8%).

Further details can be found in *Retirement and Retirement Intentions, Australia, July 2006 to June 2007* (cat. no. 6238.0).

Media note: The current main source of income for retired people may differ from their main source of income at retirement.

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